

AVEC is a non-profit memberowned cooperative

- 55 villages
- · Formed in 1968
- 7 member Board
- · 23,000 Population
- · Anvik 86
- Hooper Bay 1,124



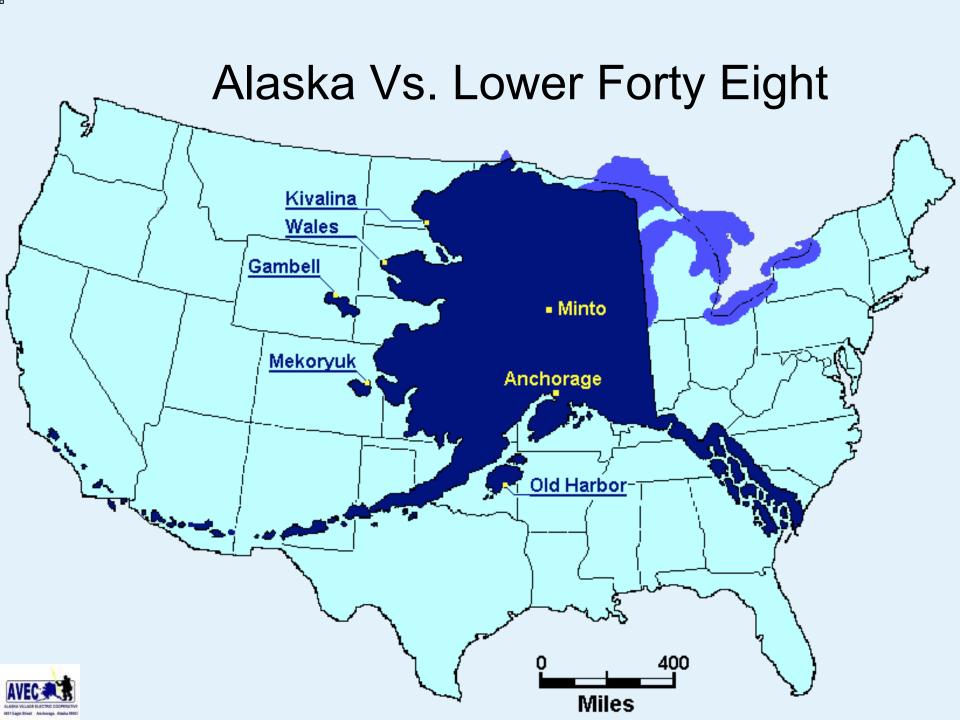


System Information

- 80 Anchoragebased Employees
- o 7,800 services
- 50 power plants



- 165 + dieselgenerators
- 95 Village technicians
- 530 + fuel tanks
- Over 5 million gallons fuel burned
- 11 wind systemsserving 15 villages
 - 34 turbines total



AVEC'S DELIVERED FUEL COST

•	Average	2002	1	.29
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Increase 2002 – 2012 \$2.73 +312%



AVEC BOARD 2018 GOALS

oLower diesel use 25%

- 1,250,000 gallons
- 77% of our fuel is used in Wind Class 4+ villages

• Reduce power plants by 50%

- Interconnect another 24 villages
- Wind is 6% of generation capacity
- 5% of 2011 generation

• Reduce non-fuel costs by 10%

Plant costs, depreciation, interest...

Reduced rates 2 cents/kWh

What is AVEC Doing?

Installing wind generation

 Selawik, Toksook Bay, Kasigluk, Gambell, Savoonga, Hooper Bay, New Stuyahok, Emmonak, Quinhagak, Chevak, Mekoryuk, Shaktoolik...

Capturing recovered heat where feasible

More than 40 AVEC locations

Building Interties

- Toksook Bay to Tununak
- Toksook Bay to Nightmute
- Brevig Mission to Teller
- Developing HVDC concept

Welcoming new villages

Nightmute (1998), Teller (2005), Kotlik (2007),
 Ekwok (2011) Kobuk (2012)

Interconnecting Villages

Reduce the number of power plants

Larger loads make renewables like wind feasible

Existing Interties

- > Kasigluk-Nunapitchuk
- ➤ St. Mary's-Andreafşky
- Upper Kalskag-Lower Kalskag
- >St. Mary's-Pitka's Point
- ➤ Shungnak-Kobuk
 - ➤ Toksook Bay-Tununak
 - > Toksook Bay-Nightmute
 - > Emmonak Alakanuk

Future Interties

- > St. Michael's-Stebbins Underway
- > Brevig Mission-Teller Underway
- > St. Mary's-Mt. Village
- > St. Mary's-Pilot Station
- ➤ New Stuyahok-Ekwok +
- ➤ Togiak-Twin Hills
- Noorvik Kiana Selawik (NKS)
 - > Ambler Shungnak Kobuk (ASK)
 - Upper Kobuk Lower Kobuk (ASK NKS)

AVEC Wind Projects

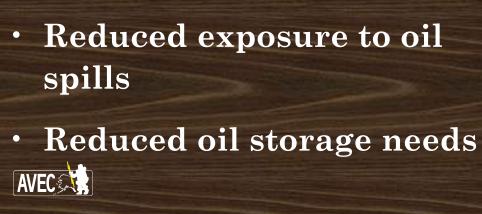
Selawik 2003 2006 <u>Kasigluk</u> – with a tie line to Nunapitchuk Toksook Bay - with tie lines 2006 to Tununak and Nightmute **Hooper Bay** and **Savoonga** 2008 2009 <u>Gambell</u> Mekoryuk and Chevak 2009 erected, commissioned in 2010 2010 Quinhagak 2010 <u>Toksook</u> - one more turbine Emmonak/Alakanuk and 2011 Shaktoolik





Benefits of Integrating Wind Generation

- · A hedge against rising fuel costs
- Lower carbon footprint





The State and federal governments funded over 100 wind projects in Alaska in the 1980s





Nearly all failed. Lack of maintenance and poor sites were factors.

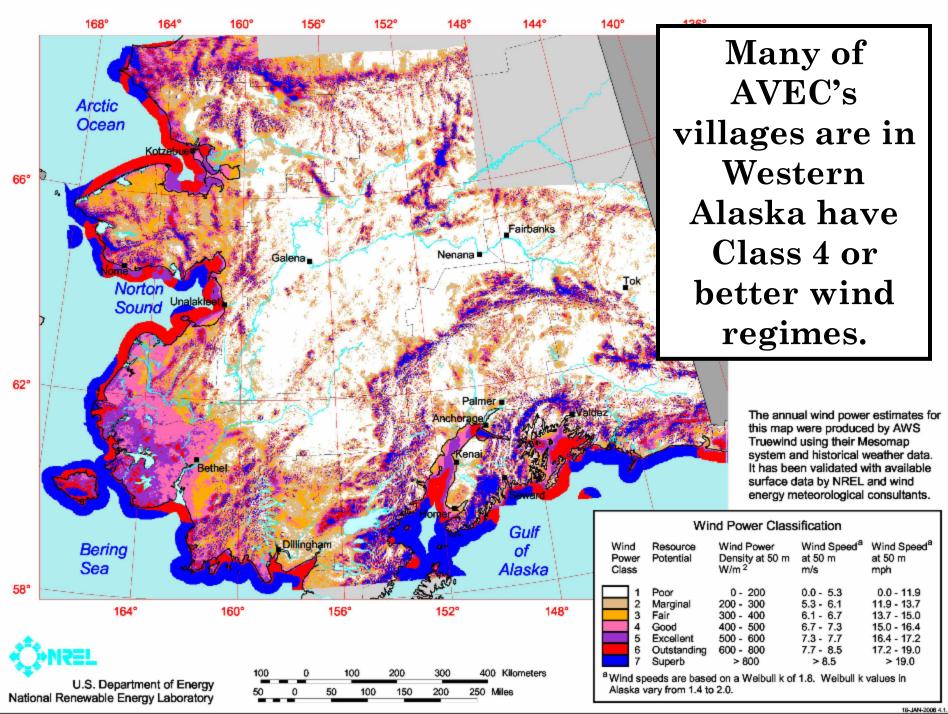


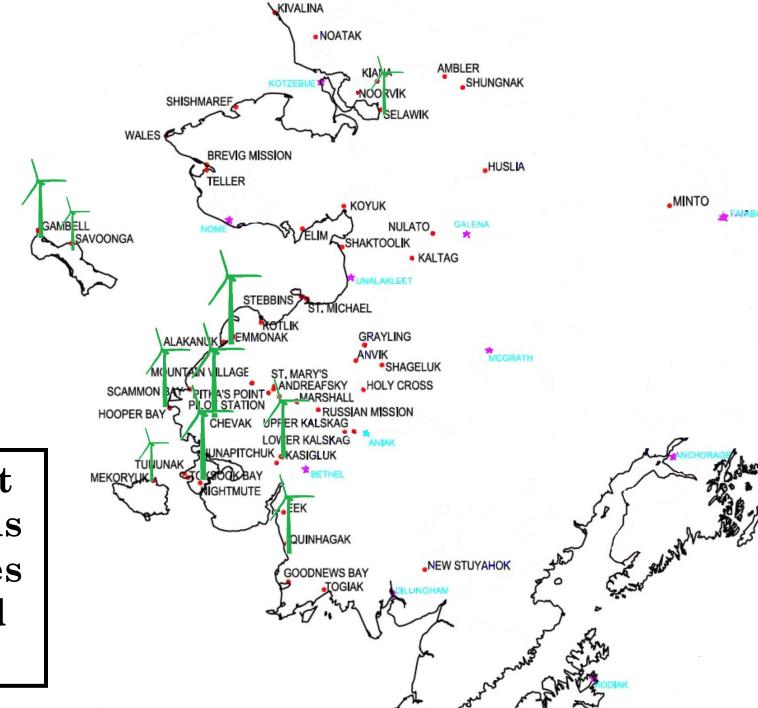


Harnessing the Wind

- 34 of AVEC's 55 villages are in class 4+ wind regimes
- · A high-efficiency diesel generator yields 14 kWh/gallon
- A 100-kW turbine could produce 220,000 kWh/ yr = 16,000 gallons displaced
- Four units (a wind plot) = 64,000 gallons displaced

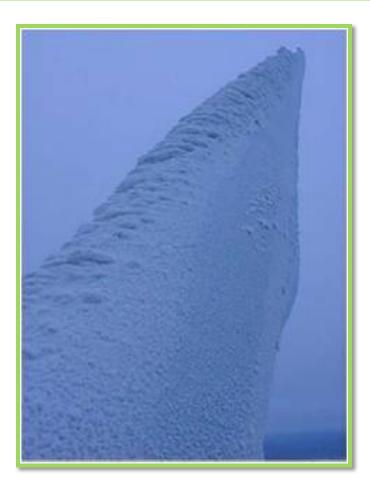






Current locations and sizes of wind farms

CURRENT CHALLENGES TO INFRASTRUCTURE DEVELOPMENT



- Low temperatures and icing
- Limited turbine options for remote villages
- Winter construction is sometimes needed





Geotechnical Conditions



Soils present unique challenges:

- High variability
- Lack of stability
- Climate change impacts



CURRENT CHALLENGES TO INFRASTRUCTURE DEVELOPMENT

- Complex logistics
- Complex foundations

Turbulence



CURRENT CHALLENGES TO INFRASTRUCTURE DEVELOPMENT



- Remote locations
- Poor soils
- Difficultenvironmentalconditions





Hauling equipment between villages







Heavy equipment must be brought in





CURRENT CHALLENGES TO INFRASTRUCTURE DEVELOPMENT

Special equipment may be needed to install the foundation or pilings.





Special equipment, shown here, was required to twist the helical piles into the ground in Kasigluk.

Foundations in permafrost are a major hurdle

Warming trends are affecting the expanse and depth of permafrost







Foundations in Permafrost

- They must not settle, tilt or be uplifted
- Pile foundations
 (six to eight piles)
 may extend 1/3 to
 2/3 the height of
 the tower into the
 ground



Solutions to Challenges:

Dove-tailing **AVEC** projects with other local projects help reduce construction costs





Solutions Continued...



Wind Assessment is critical

Determining estimated output of a project

Avoiding misplacement of a project

Identifying potential problems

Calutions Continued

Potential Problems...

- · Land ownership and land use in the area
- Geotechnical issues for foundations
- · Historical and cultural resource impacts
- Bird issues
- Equipment accessibility
- Proximity to power lines

Wind Technicians Are Being Trained in AVEC Villages Across Alaska





AVEC and its contractors are building local capacity by training wind technicians who live in the villages.





These trainees have worked in the construction and operation of the new systems

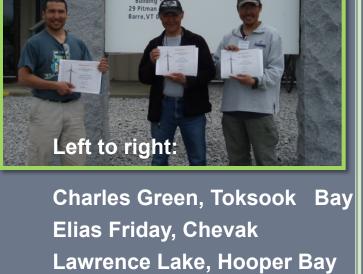


TRAINING SEVERAL WIND TECHNICIANS KASIGLUK MARCH 2010









Distributed



Some of the equipment is complex

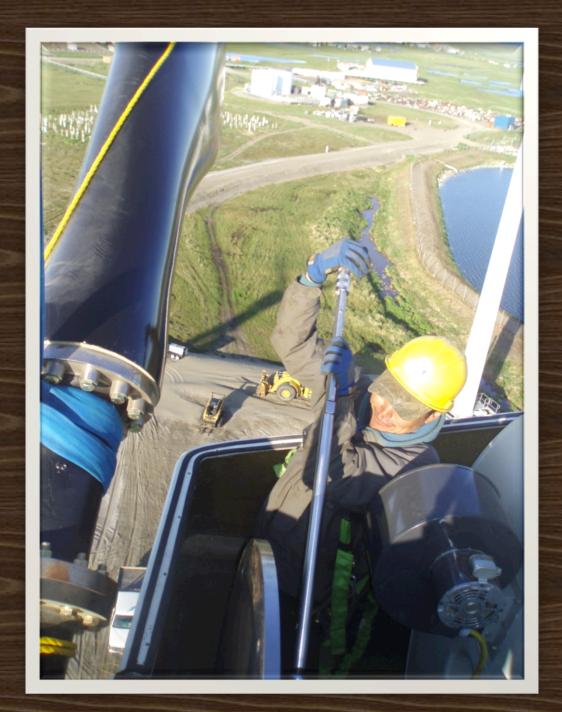




Wind Technicians Lawrence Lake and Julius Bell standing by a nacelle in Hooper Bay



Wind **Technician** Julius Bell adjusting the rotor assembly during the installation of the NW100 wind turbines in Hooper Bay, Alaska





VIEW FROM THE TOP





THE WORK AND RESULTS ARE REWARDING





Future Plans

- Meteorological towers are collecting information in several locations
- We are pursuing funding for projects and interties
- · We are championing the All Alaska Energy Project



What Alaskans Spend on Energy

Electricity revenue \$924 mm

Gas revenue – Southcentral \$536 mm

Diesel – Fairbanks area 250 mm gallons

Diesel – Kodiak, Copper Valley, SE 68 mm gallons

Diesel – Rest of state 63 mm gallons

TOTAL 381 mm gallons

Diesel value at \$4.00/gallon \$1,524 mm

Annual cost of electricity/heat \$2,984 mm

Expenditure in 20 years \$59.7 billion

Questions?



Wales, Alaska



Meera Kohler Alaska Village Electric Cooperative